

Message Text

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ACTION EA-14

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E.O. 11652: N/A

TAGS: ELAB JA

SUBJ: LABOR'S SPRING OFFENSIVE--REPORT 10, SETTLEMENTS

REF: TOKYO 4861 AND PREVIOUS

SUMMARY. JOINT SPRING WAGE STRUGGLE COMPLETED AND MAJOR
WAGE

INCREASE SETTLEMENTS IN BOTH PRIVATE AND PUBLIC SECTOR AVERAGE
30 PERCENT--ABOUT ONE HUNDRED DOLLARS MONTHLY. MINOR STRIKES
CONTINUE

AND LOWER-PAID ENTERPRISES JUST BEGINNING WAGE NE-
GOTIATIONS WHICH ARE EXPECTED TO END IN MUCH LOWER CASH WAGE
BOOSTS. HOWEVER, HIGH INFLATION RATE IF MAINTAINED COULD WIPE
OUT REAL WAGE INCREASES EVEN AMONG LARGE, HIGH-PAYING
ENTERPRISES. END SUMMARY.

1. INITIAL PATTERN-SETTING WAGE SETTLEMENTS PROCEEDED ON SCHEDULE.
EARLIEST MAJOR SETTLEMENTS IN PRIVATE INDUSTRY WERE STEEL,
27.5 PERCENT (YEN 23,000) AND SHIPBUILDING 29 PERCENT (WHEN
NEGOTIATIONS FOR
INCENTIVE PAY INCREASES COMPLETED TOTAL EXPECTED
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TO EXCEED 30 PERCENT). AMONG AUTOMAKERS:: 59695- 30.5 PERCENT

(YEN 25,300), NIAN 29.9 PERCENT (YEN 24,000). TEXTILES (ZENSENDOMEI) REPORTS WINNING INCREASES OF ABOUT 32 PERCENT. BASED ON THOSE SETTLEMENTS, PRIVATE RAILWAY WORKERS (SHITETSUSOREN) AND MAJOR RAIL LINES ACCEPTEED LABOR RELATIONS BOARD (CHUROI) MEDIATION PROPOSAL OF PEQMR PERCENT (YEN 28,500). HIGHEST MAJOR SETTLEMENT: SEAMEN'S UNION (KAIIN) WITH INDUSTRY-WIDE AVERAGE OF 34.6 PERCENT (YEN 42,092).

2. GOJ NATIONAL CORPORATIONS AND PUBLIC ENTERPRISES, WHOSE WAGE DISPUTE WITH OVERALL WORKERS ORGANIZATION (KOROKYO) WAS IN MEDNATION BY ITS SPECIAL LABOR RELATIONS BOARD (KOROI), AGREED AFTER PRIVATE RR SETTLEMENT TO INCREASES AVERAGING 29.2 PERCENT (YEN 27,691). WORK STOPPAGES BY JNR, POSTAL ANL TELECOMMUNICATION WORKERS WERE THEN CALLED OFF.

3. AFTER SECOND IAME OF WORK STOPPAGES LASTING 2 TO 4 HOURS APR 13, TEACHEVRS (NIKKYOSO) CALLED OFF STRIKES SUPPORTING LABOR'S JOINT SPRING STRUGGLE COMMITTEE. THEY AND OTHER PUBLIC SERVICE PERSONNEL WILL RECEIVE WAGE INCREASES RECOMMENDED BY NATIONAL PERSONNEL AUTHORITY (NPA) BASED ON SURVEY TO BE CONDUCTED NEXT MONTH OF WAGE LEVELS IN PRIVATE INDUSTRY. BECAUSE OF CURRENT HIGH SETTLEMENTS REPORTED HEREIN PL SPECIAL NN-CREASES GRANTED TO TEACHERS AND NURSES EARLIER THIS YEAR, PRESS PREDICTS NPA WILL RECOMMEND 30 PERCENT BOOST. (SINCE US FORCES OPERATING IN JAPAN FOLLOW NPA RECOMMENDATIONS IN GRANTING INCREASES TO LOCAL NATIONAL EMPLOYEES, SUCH AN INCREASE WOULD COST THEM AN ESTIMATED 143 MILLION DOLLARS.)

4. HIGH WAGE SETTLEMENTS PREDICTABLY DEFUSED LABOR MILITANCY OVER OTHER SPRNNG LABOR OFFENSIVE DEMANDS:

(A) ON GRANTING STRIKE RIGHT TO PUBLIC SECTOR, GOJ AGREED ONLY TO GORM COUNCIL OF CABINET MEMBERS TO QTE STUDY UNQTE RELAXATION OF GOJ'S NO-STRIKE PROVISIONR AND TO REPORT ITS CONCLUSIONS WITHIN EIGHTEEN MONTHS. (UNIONS ALSO CLAIM AN UNDER-TABLE GOJ CONCESSION THAT IT WILL POSTPONE DISCIPLINARY ACTIONS AGAINST THE HUNDREDS OF THOUSANDS OF UNIONISTS WHO STRUCK ILLEGALLY DURING THE SPRING STRUGGLE CAMPAIGN UNTIL LIMITED OFFICIAL USE

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COUNCIL MAKES ITS REPORT. GOJ SILENT ON THAT SUBJECT. WHETHER ALLEGED MORATORIUM PRECLUDES ACTION AGAINST NIKKYOSO LEADERS FOR INCITING ILLEGAL STRIKES REMAINS UNCLEAR. (SEE TOKYO 4863.)

(B) ON RELIEF TO LOW-INCOME WORKERS, BESIDES ONETIME ANTI-INFLATION ALLOWANCES ALREADY PAID GOJ AGREED: (1) TO ADVANCE 17 PERCENT INCREASE IN WORKERS' PENSIONS FROM NOVEMBER TO SEPTEMBER AND IN NATIONAL WELFARE PENSIONS FROM FEBRUARY

1975 TO NOVEMBER 74, AND (2) TO INCREASE UNEMPLOYMENT RELIEF

PROJECT WAGES BY 19.2 PERCENT AS OF APRIL 1.

(C) ON DEMANDS

GOVT CURB INFLATION, UNIONS DROPPED

ISSUE FOR TIME BEING BUT ARE EXPECTED TO RAISE IT AGAIN IN
UPCOMING DIET ELECTION CAMPAIGN.

5. WHILE THE SOHYO-ORCHESTRATED JOINT SPRING STRUGGLE CAMPAIGN
ENDED, WORK STOPPAGES BY OTHER UNIONS CONTINUE OVER ISSUE OF
WAGE INCREASES. JAL AND TOA WORKERS SCHEDULED TO STRIKE 24
HOURS APR 17; SOME ELECTRICAL INDUSTRY WORKERS IN
DENKIROREN PLAN TO GO OUT FOR 48 HOURS APR 18, AND
HARBOR WORKERS IN KOBE HAVE BEEN ON INDEFINITE STRIKE SINCE
APR 15.

6. COMMENT:

(A) PRIVATE INDUSTRY WAGE INCREASE SETTLEMENTS COMPLETED TO
DATE BY ABOUT ONE THIRD OF UNIONS IN PRIVATE ENTERPRISES. THOSE
INCLUDE LARGEST AND ALREADY BEST-PAYING FIRMS. NEGOTIATIONS
AMONG MEDIUM AND SMALL SIZE FIRMS NOW UNDERWAY WITH PROSPECTS
POOR FOR SUCH GENEROUS WAGE BOOSTS. NEVER AS PROSPEROUS
AS BIG BUSINESSES,
SMALLER FIRMS HAVE BEEN HIT RELATIVELY HARDER
BY MATERIAL SHORTAGES AND RISING COSTS. THEIR WAGE LEVELS
ALREADY LAG MATERIALLY BEHIND THOSE OF BIG
FIRMS AND THIS YEAR MANY ARE REPORTEDLY FACING DIFFICULTIES IN
PAYING EVEN MORE MODERATE INCREASES.

(B) DESPITE WAGE INCREASES THIS YEAR AVERAGING 30 PERCENT,
JAPANESE WORKERS WILL BE LITTLE BETTER OFF THAN BEFORE. OBSERVERS
NOTE THAT WITH HIGHER TAXES TO PAY AND A CPI INCREASE OF 20
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PERCENT, REAL WAGE INCREASES WOULD AVERAGE ONLY 7.8 PERCENT. AND
CPI CONTINUES TO RISE. ACCORDING TO GOJ IT REACHED 26.3
PERCENT IN YEAR ENDING MARCH 1. IF THAT TREND CONTINUES ANOTHER
MONTH, IT COULD WIPE OUT REAL WAGE INCREASES DESPITE MONTHLY
CASH INCREASES IN EXCESS OF \$100.
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